

City of Detroit

CITY COUNCIL



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Committee of the Whole Room • 1340 Coleman A. Young Municipal Center • (313) 224-3443 • Detroit, MI 48226

“A QUORUM OF THE DETROIT CITY COUNCIL MAY BE PRESENT”

BUDGET, FINANCE AND AUDIT STANDING COMMITTEE

COUNCIL MEMBER JANEÉ AYERS, CHAIRPERSON
COUNCIL MEMBER ANDRÉ SPIVEY, VICE CHAIRPERSON
COUNCIL PRESIDENT PRO-TEM MARY SHEFFIELD, MEMBER
COUNCIL PRESIDENT BRENDA JONES, (EX-OFFICIO)

Ms. Christian Hicks
Asst. City Council Committee Clerk

WEDNESDAY, OCTOBER 2, 2019

1:00 P.M.

- A. ROLL CALL**
- B. CHAIR REMARKS**
- C. APPROVAL OF MINUTES**
- D. PUBLIC COMMENT**

UNFINISHED BUSINESS

1. Status of **Legislative Policy Division** submitting report relative to Benchmark Comparison of the City of Detroit's 2018 Comprehensive Annual Financial Report (CAFR) with Other Cities. **(The Legislative Policy Division (LPD) compared the City's fiscal year 2018 Government Wide Statement of Net Position (i.e., balance sheet) and Statement of Activities for Governmental Activities (i.e., income statement) with other Cities including: Flint, Michigan; Memphis, Tennessee; Louisville, Kentucky; Grand Rapids, Michigan; Boston, Massachusetts; Portland, Oregon; Charlotte, North Carolina; and Kansas City, Missouri. Most of the cities chosen were comparable in size to Detroit. Grand Rapids was chosen because it is the State of Michigan's second largest City and in good financial condition. Flint was chosen because it has similar challenges as Detroit. We also chose a mix of cities that were either in good or poor fiscal health for comparative purposes.) (BROUGHT BACK AS DIRECTED ON 9-25-19)**

2. Status of Office of the Chief Financial Officer submitting reso. autho. Investment Management Agreement between the City of Detroit and Agincourt Capital Management. **(The Proposed Investment Management Agreement has been submitted in order to obtain services to manage the assets and render investment advice with respect to the assets of the City of Detroit Retiree Protection Trust Fund held with the custodian selected by the city.) (BROUGHT BACK AS DIRECTED ON 9-25-19)**
3. Status of Office of the Chief Financial Officer submitting reso. autho. Investment Management Agreement between the City of Detroit and Garcia Hamilton & Associates, L.P. **(The Proposed Investment Management Agreement has been submitted in order to obtain services to manage the assets and render investment advice with respect to the assets of the City of Detroit Retiree Protection Trust Fund held with the custodian selected by the city.) (BROUGHT BACK AS DIRECTED ON 9-25-19)**
4. Status of Housing and Revitalization Department submitting reso. autho. To Amend 2018-2019 Budget – Appropriation No. 20644 – “US Ecology Damages for Single-Family Rehab”. **(The Housing and Revitalization Department (“HRD”) is hereby requesting to utilize the funds to support its Single-Family Rehabilitation Program for qualified low-income residents within a designated area surrounding US Ecology Michigan, Inc.’s facilities as further described in the attached resolution. DPW has no objections to HRD’s utilization of such liquefied damages that may be collected under DPW’s Contract 6001499.) (BROUGHT BACK AS DIRECTED ON 9-18-19)**
5. Status of Council Member Scott Benson submitting memorandum relative to NEZ Homestead (NEZH) updated proposed modifications. **(BROUGHT BACK AS DIRECTED ON 9-18-19)**
6. Status of Office of the Chief Financial Officer submitting bond proposal and authorizing Unlimited Tax General Obligation Bonds. **(The Office of the Chief Financial Officer respectfully submits the attached resolution proposing that a \$250 million Blight Removal Bond Issue be placed on the March 2020 Ballot and authorizing Unlimited Tax General Obligation (UTGO) Bonds. The proposal, in concert with blight reduction funding called for in the Plan of Adjustment, will allow for the City to address the remaining abandoned houses by 2025.) (BROUGHT BACK AS DIRECTED ON 9-18-19)**
7. Status of Council President Brenda Jones submitting memorandum relative to Demolition Bond Terms and Agreements. **(BROUGHT BACK AS DIRECTED ON 9-18-19)**
8. Status of Council Member Scott Benson submitting memorandum relative to Casino Gaming Bills: HB 4311, HB 4312 (H-2), HB 4323. **(BROUGHT BACK AS DIRECTED ON 9-4-19)**

9. Status of **Council President Brenda Jones** submitting memorandum relative to Procurement Certification Monitoring. **(BROUGHT BACK AS DIRECTED ON 9-4-19)**
10. Status of **Council President Brenda Jones** submitting memorandum relative to Ordinance Request regarding the State City Income Tax. **(BROUGHT BACK AS DIRECTED ON 9-4-19)**
11. Status of **Council Member Scott Benson** submitting memorandum relative to Fair Wage Contract Ordinance. **(BROUGHT BACK AS DIRECTED ON 9-4-19)**
12. Status of **Council President Brenda Jones** submitting memorandum relative to City of Detroit Bonding and Insurance Requirements. **(BROUGHT BACK AS DIRECTED ON 9-4-19)**
13. Status of **Council President Brenda Jones** submitting memorandum relative to Community Investment Opinion/Ordinance. **(BROUGHT BACK AS DIRECTED ON 9-4-19)**
14. Status of **Council President Brenda Jones** submitting memorandum relative to Ordinance Request. **(BROUGHT BACK AS DIRECTED ON 9-4-19)**
15. Status of **Council President Brenda Jones** submitting memorandum relative to Income Tax Ordinance. **(BROUGHT BACK AS DIRECTED ON 9-4-19)**
16. Status of **Council President Brenda Jones** submitting memorandum relative to Audit of Compliance Fee Dollars. **(BROUGHT BACK AS DIRECTED ON 9-4-19)**

NEW BUSINESS

OFFICE OF CONTRACTING AND PROCUREMENT

Submitting the following **Office of Contracting and Procurement Contracts:**

17. Submitting reso. autho. **Contract No. 3037473** - 100% City Funding – To Provide Printing Services for Property Tax Exemption Flyers. – Contractor: Accuform Printing & Graphics, Inc. – Location: 7231 Southfield Road, Detroit, MI 48228 – Contract Period: Upon City Council Approval through October 31, 2019 – Total Contract Amount: \$69,432.00. **ASSESSOR (REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 10-2-19)**

OFFICE OF THE CHIEF FINANCIAL OFFICER - OFFICE OF THE ASSESSOR

18. Submitting reso. autho. RAHF IV Cambridge Limited Dividend Housing Association Limited Liability Company – Payment in Lieu of Taxes (PILOT). **(In order to make this development economically feasible, it is necessary for it to receive the benefits of tax exemption under Section 15a of the State Housing Development Authority Act of 1966 (P.A. 346 as amended, MCL 125.1415A). Adoption of the resolution by your**

Honorable Body will therefore satisfy the requirements of Public Act 346 and City Ordinance 9-90, as amended, by establishing a service charge of ten percent (10%) of the annual net shelter rent obtained from this housing project.) (REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 10-2-19)

19. Submitting reso. autho. RAHF IV Plymouth Limited Dividend Housing Association Limited Liability Company – Payment in Lieu of Taxes (PILOT). **(In order to make this development economically feasible, it is necessary for it to receive the benefits of tax exemption under Section 15a of the State Housing Development Authority Act of 1966 (P.A. 346 as amended, MCL 125.1415A). Adoption of the resolution by your Honorable Body will therefore satisfy the requirements of Public Act 346 and City Ordinance 9-90, as amended, by establishing a service charge of ten percent (10%) of the annual net shelter rent obtained from this housing project.) (REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 10-2-19)**
20. Submitting reso. autho. Cathedral Venture Limited Dividend Housing Association Limited Liability Company – Payment in Lieu of Taxes (PILOT). **(In order to make this development economically feasible, it is necessary for it to receive the benefits of tax exemption under Section 15a of the State Housing Development Authority Act of 1966 (P.A. 346 as amended, MCL 125.1415A). Adoption of the resolution by your Honorable Body will therefore satisfy the requirements of Public Act 346 and City Ordinance 9-90, as amended, by establishing a service charge of ten percent (10%) of the annual net shelter rent obtained from this housing project.) (REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 10-2-19)**

LEGISLATIVE POLICY DIVISION

21. Submitting report relative to Casino Gaming Bills, HB 4311, HB 4312 and HB 4323. **(In general the three proposed bills set forth the following: HB 4311 authorizes the establishment of internet gaming and sets forth the requirements for eligibility, licensing, taxing of internet gaming, creates an internet gaming fund and provides for civil sanctions and criminal penalties for violations of the act; HB 4312 would amend the Michigan Code of Criminal Procedure MCL 777.14d by placing the maximum term of imprisonment for a felony violation of the Internet Gaming Act within the sentencing guidelines; and HB 4323 would amend the Michigan Penal Code MCL 750.1 et, al by adding §310d exempting gambling conducted under the Lawful Internet Gaming Act from the provisions of the penal code. All three bills are tie barred, one bill cannot take effect unless the bill to which it is tie barred is also enacted.) (REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 10-2-19)**
22. Submitting report relative to Review of the 2018 Comprehensive Annual Financial Report (CAFR) for the City of Detroit **(REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 10-2-19)**

OFFICE OF THE CITY CLERK/CITY PLANNING COMMISSION

23. Submitting reso. autho. Neighborhood Enterprise Zone Certificate Application for the rehabilitation of a 91-unit multi-family residential mixed-use development located at 4417

Second Avenue in the Sheridan Propco Neighborhood Enterprise Zone area. **(RECOMMEND APPROVAL) (REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 10-2-19)**

24. Submitting reso. autho. Neighborhood Enterprise Zone Certificate Application for the rehabilitation of a 28-unit multi-family residential development located at 651 Hancock Avenue in the Wellesley Propco Neighborhood Enterprise Zone area. **(RECOMMEND APPROVAL) (REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 10-2-19)**
25. Submitting reso. autho. Neighborhood Enterprise Zone Certificate Application for construction of a new two-family flat located at 1548 Ash Avenue in the North Corktown Neighborhood Enterprise Zone area. **(RECOMMEND APPROVAL) (REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 10-2-19)**

MISCELLANEOUS

26. **Council President Brenda Jones** submitting memorandum relative to Additional Questions and Concerns in Response to “Responses to September 17 Memos on Blight Removal Bond.” **(REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 10-2-19)**
27. **Council President Brenda Jones** submitting memorandum relative to Additional Questions Regarding the Proposed Demolition Bond. **(REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 10-2-19)**
28. **Council President Brenda Jones** submitting memorandum relative to Joint-Venture Report **(REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 10-2-19)**

E. MEMBER REPORTS